

Chapter 4

Seniors' self-employment and entrepreneurship activities

This chapter presents evidence on self-employment and entrepreneurship activities by seniors, including data on the proportion of seniors that are active in self-employment and entrepreneurship. Data are also presented on the characteristics of businesses operated by seniors, including the industry, proportion that introduce new products or services, and the proportion that expect to create a large number of jobs. The chapter also presents data on the key barriers to business creation for seniors such as a lack of entrepreneurship skills and fear of failure. These indicators are presented at the European Union and OECD levels, as well as at the country level.

Note by Turkey:

The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union:

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Key messages

Seniors are quite active in self-employment. In 2016, seniors (50-64 years old) were more likely to be self-employed than the overall adult population (15-64 years old) in the European Union (18.2% vs. 14.0% for adults). However, the self-employment rate for seniors has decreased 1.6 percentage points over the last decade.

Despite a high proportion of working seniors in self-employment, few seniors are actively involved in trying to set up a business. In the European Union, only 2.6% of seniors were engaged in starting a business over the 2012-16 period relative to 4.0% of adults. Similarly, only 4.5% of seniors in OECD countries were involved in starting a business over this period, which was lower than the proportion of adults (6.1%). Those that do go on to start a business appear to be slightly more likely to have employees than the overall population of the self-employed. In the European Union, nearly one-third of self-employed seniors (31.2%) had at least one employee in 2016, relative to 28.5% for the overall self-employed population.

While some seniors face barriers to business creation such as low levels of retirement savings, the opportunity cost of business creation and outdated business networks, more than four in ten seniors in the European Union (42.8%) reported that they had the knowledge and skills to start a business over the 2012-16 period. This was similar to the proportion in OECD countries and to overall proportion of adults in the EU and OECD countries. Seniors in European Union Member States and OECD countries were less likely than adults to report a fear of failure was a barrier to entrepreneurship over this period.

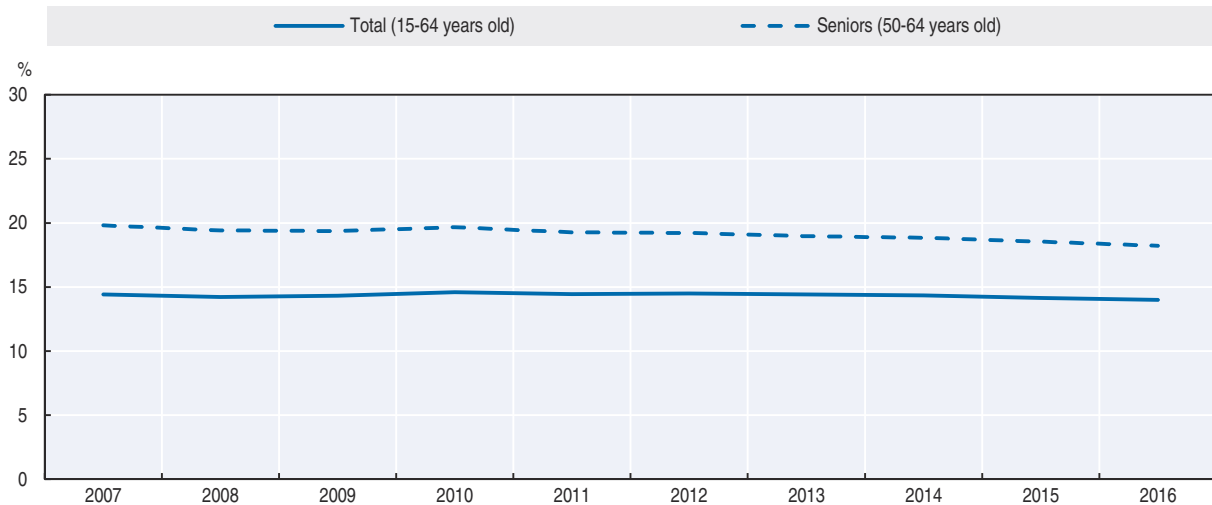
Almost one-third of seniors who ceased their entrepreneurship activity over the 2012-16 period did so because it was not profitable. Retirement was the second most frequently cited reason in the European Union (16.4%). However, only 10.5% of seniors in OECD countries indicated that they exited due to retirement.

Self-employment activities by seniors


- Seniors (50-64 years old) were more likely to be self-employed than adults in the European Union. In 2016, 18.2% of working seniors were self-employed. This is down 1.6 percentage points from the proportion in 2007.
- In the European Union, nearly one-third of self-employed seniors (31.2%) had at least one employee in 2016. This was slightly higher than the rate for all adults.

Figure 4.1 presents the proportion of seniors (50-64 years old) in employment that are self-employed. At the European Union level, 18.2% of seniors in employment in 2016 were self-employed. This was above the overall average for adults (15-64 years old) (14.0%). However, there has been a slight downward trend in the self-employment rate for seniors over the last decade, as employment grew between 2007 and 2016 faster than self-employment

Figure 4.1. **Self-employment rate for seniors in the European Union, 2007-16**
Self-employed as a percentage of total employment



Source: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>.

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for this age group (28% vs. 17%). The self-employment rate for seniors has declined 1.6 percentage points over the last decade, while the rate for adults was constant.

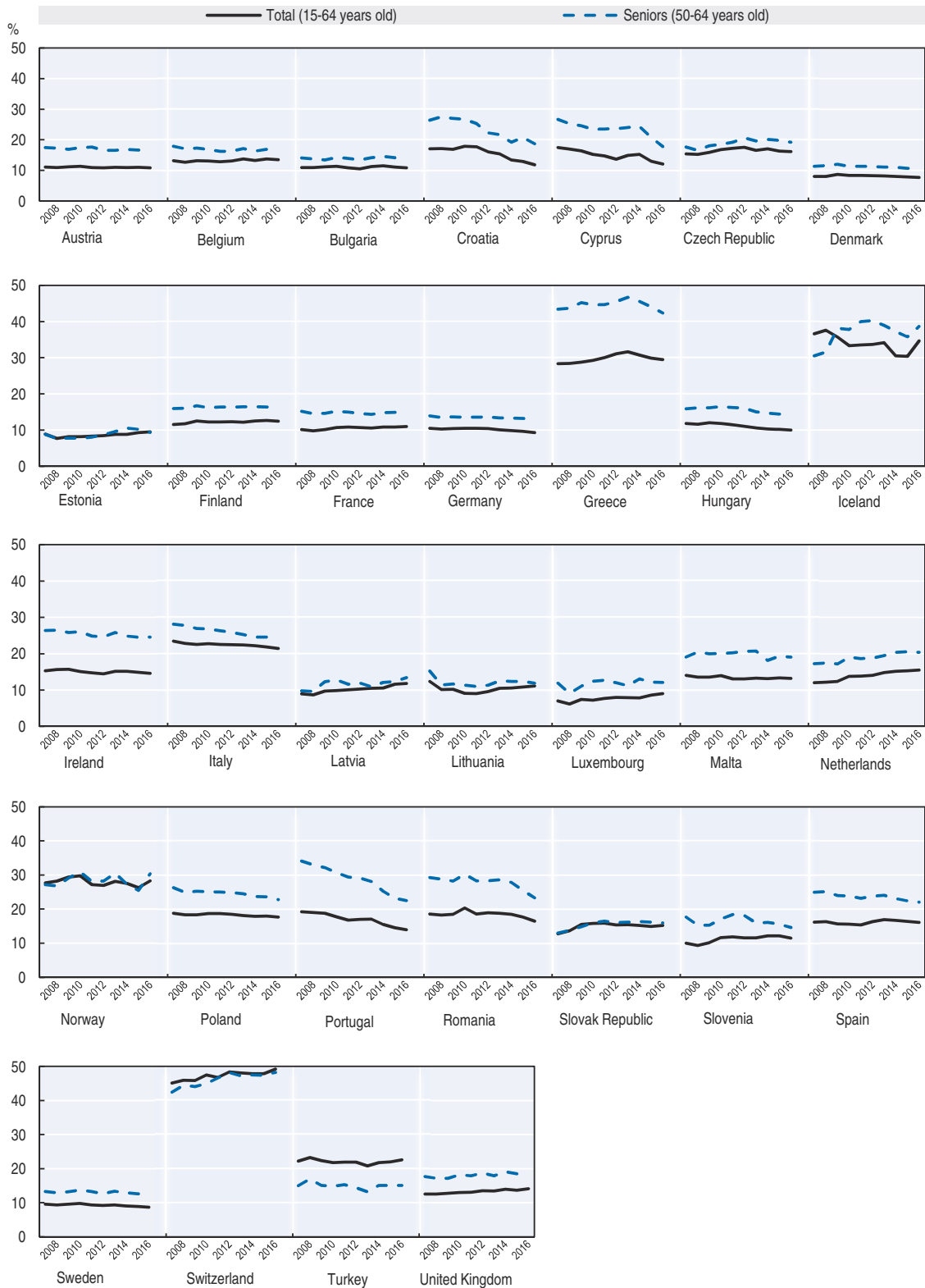
There were substantial differences in the self-employment rate for seniors across countries over the last decade (Figure 4.2). More than four out of ten employed seniors in Greece in 2016 were self-employed (42.4%), which was nearly two-and-a-half times the European Union average. At the same time, the self-employment rate for seniors was approximately 10% in several countries: Estonia (9.4%), Denmark (10.7%) and Lithuania (11.9%). Between 2007 and 2016, the self-employment rate for seniors declined in 20 European Union Member States.

In addition to being more likely to be working in self-employment, seniors (50-64 years old) are also more likely to have employees when they are self-employed. In 2016, nearly one-third of self-employed seniors (31.2%) in the European Union had at least one employee (Figure 4.3). This was above the overall average for adults (15-64 years old) (28.5%). Over the last decade, there was a slight decline of 0.5 percentage points in the proportion of self-employed seniors who had employees. However, this was less of a decline than for the overall average for self-employed adults (2.3 percentage points).

The proportion of self-employed seniors with employees in European Union Member States and selected OECD countries between 2007 and 2016 is presented in Figure 4.4. Nearly half of self-employed seniors had employees in Luxembourg (47.9%), Germany (47.8%) and Hungary (47.4%), but fewer than one-in-five did in Romania (5.0%), Cyprus (16.4%) and the United Kingdom (18.7%). Since 2007, there was substantial growth in the proportion of self-employed seniors with employees in several European Union Member States, including Latvia (10.4 percentage points), Croatia (11.7 percentage points) and Estonia (15.1 percentage points). At the same time, the proportion declined substantially in the Slovak Republic (-8.5 percentage points) and Cyprus (-15.9 percentage points).

Figure 4.2. **Self-employment rate for seniors by country, 2007-16**

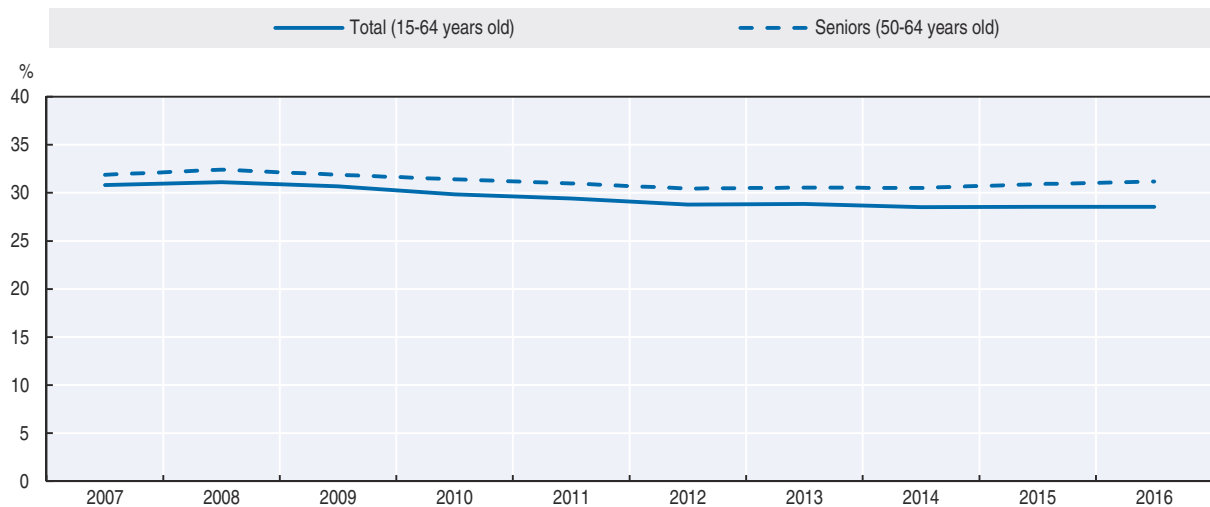
Self-employed as a percentage of total employment




Source: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>.

StatLink  <http://dx.doi.org/10.1787/888933624483>

Figure 4.3. **Proportion of self-employed seniors with employees in the European Union, 2007-16**
Percentage of self-employed



Source: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>.

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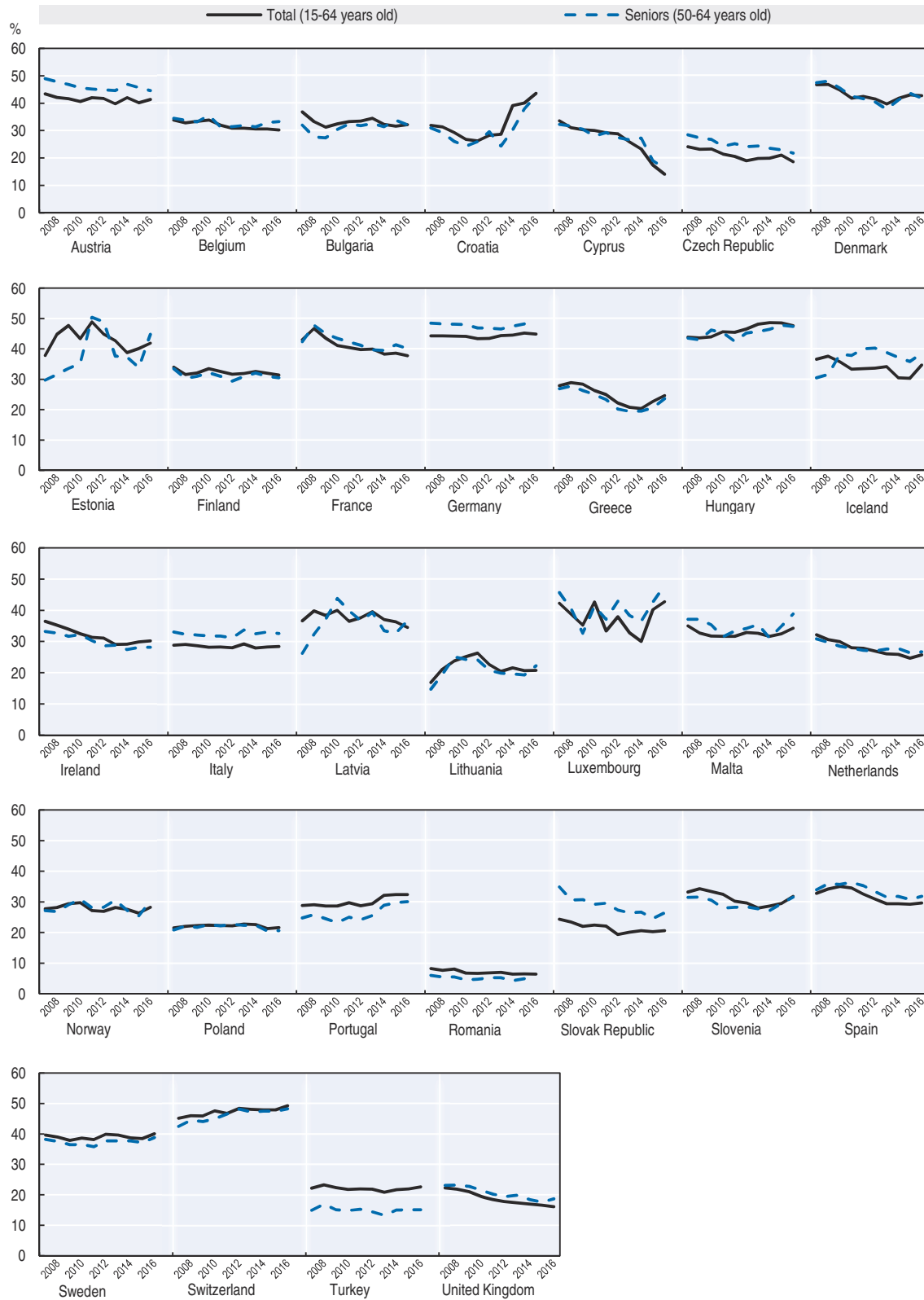
Activities by seniors over the entrepreneurship life-cycle

- The proportion of seniors engaged in nascent entrepreneurship activities, i.e. those actively involved in setting up a business, was lower than the proportion of adults in the European Union (2.6% vs. 4.0% for all adults) and OECD countries (4.5% vs. 6.1% for all adults) between 2012 and 2016.
- However, seniors were more likely to be an owner-operator of a business that has operated for more than 42 months. The established business ownership rate for the 2012-16 period in the European Union was 8.3%, while it was 10.2% for OECD countries.
- Nearly one-third of seniors indicated that they discontinued their business between 2012 and 2016 because it was not profitable. Retirement was the second most frequently cited reason in the European Union (16.4%). However, only 10.5% of seniors in OECD countries indicated that they exited due to retirement.


In addition to examining self-employment activities, the level of entrepreneurship activities can also be estimated using surveys. The most well-known entrepreneurship survey is the annual international household survey by the Global Entrepreneurship Monitor (GEM), which is a network of entrepreneurship researchers and research institutions. The model used by the GEM considers four stages of entrepreneurship activity: nascent entrepreneurship, new business ownership, established business ownership and business discontinuation. Please refer to the Reader's Guide for more information on the GEM survey.

Nascent entrepreneurship is defined by the GEM as the proportion of the adult population (18 to 64 years old) that are actively involved in setting up a business they will own or co-own. This business must not have paid salaries, wages or any other payments to the owners for more than three months. The nascent entrepreneurship rate for the period 2012-16 for seniors (50-64 years old) is presented in Figure 4.5. Overall in the European Union, seniors were less active than the average for the adult population (18-64 years old)

Figure 4.4. **Proportion of self-employed seniors with employees by country, 2007-16**
 Percentage of self-employed



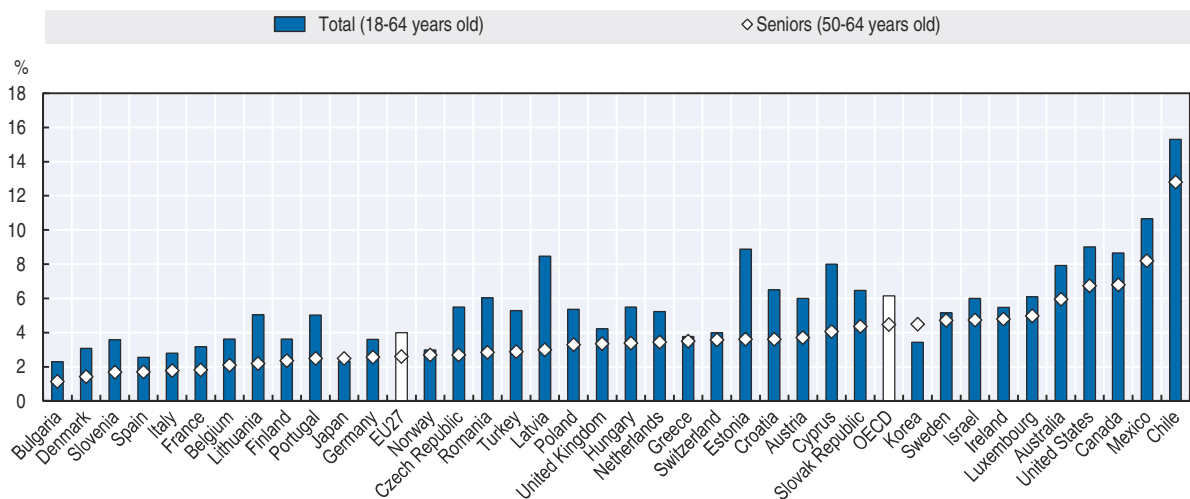
Source: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>.

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over the 2012-16 period (2.6% vs. 4.0% for all adults). Among European Union Member States, the nascent entrepreneurship rate ranged from 1.1% in Bulgaria to 5.0% in Luxembourg over this period. This rate was below the rate for adults in all Member States.


Similarly, 4.5% of seniors in OECD countries¹ were nascent entrepreneurs between 2012 and 2016. This was below the proportion for all adults (6.1%). The nascent entrepreneurship rates for seniors were highest over this period in Australia (6.0%), United States (6.7%), Canada (6.8%), Mexico (8.2%) and Chile (12.8%).

Figure 4.5. **Nascent entrepreneurship rate for seniors, 2012-16**
Percentage of population



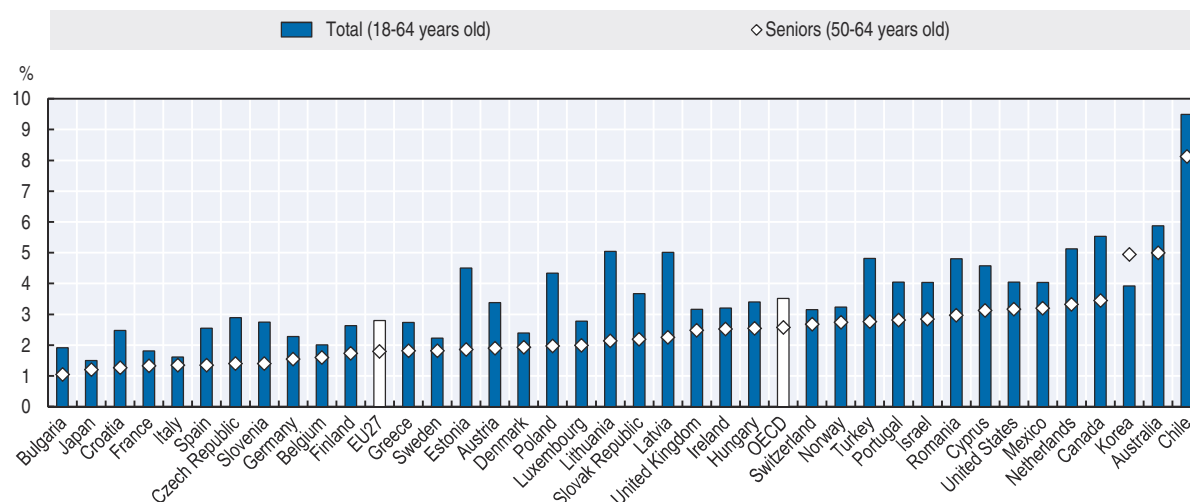
Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. The nascent entrepreneurship rate is defined as the proportion of the adult population (age 18 to 64) that are actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months.

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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New business ownership is the second phase of entrepreneurship activity in the GEM model. The new business ownership rate measures the proportion of the population that is currently an owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. Figure 4.6 presents the new business ownership rate for seniors over the 2012-16 period. In the European Union, 1.8% of seniors were new business owners over this period. This was below the average for the adult population (2.8%). While the new business ownership rate was fairly similar across countries, the gap between the rate for seniors and the rate for adults did vary significantly. In some countries such as the Czech Republic, Estonia, Poland, Lithuania and Latvia, seniors were less than half as likely as adults to be new business owners. However, in other countries such as Denmark and Sweden, there was only a small difference in the new business ownership rate between seniors and adults.

Figure 4.6. **New business ownership rate for seniors, 2012-16**
Percentage of population



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. The new business ownership rate measures the proportion of the population (18-64 years old) that is currently an owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months.

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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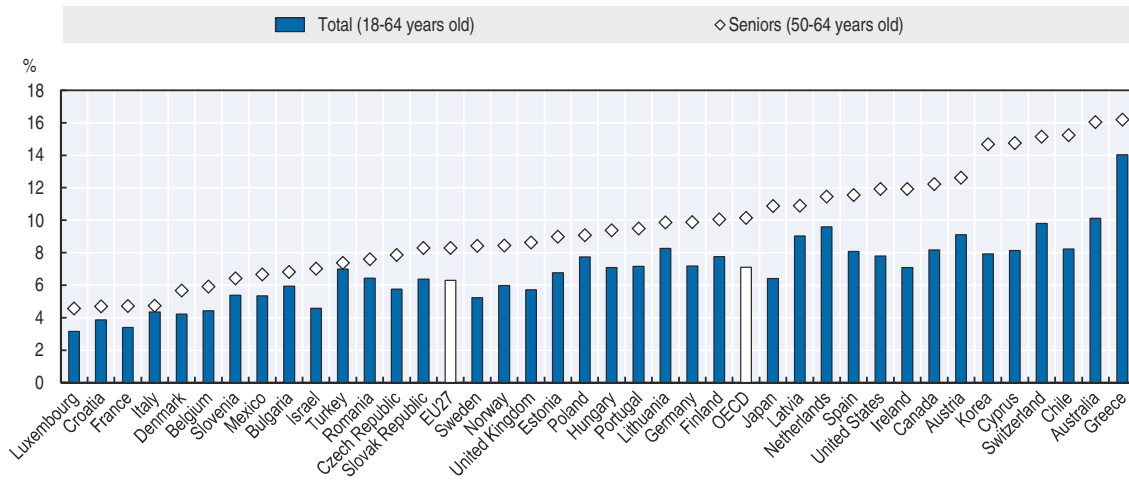
Across OECD countries, approximately 2.6% of seniors were new business owners over this period. This was below the proportion of all adults (3.5%). The greatest proportion of seniors who were new business owners was in Korea (4.9%), Australia (5.0%) and Chile (8.1%).

Established business ownership is the third stage of entrepreneurship activities in the GEM model. Established business owners are those who are owner-managers of a business that has paid salaries, wages or any other payments to the owners for more than 42 months. Seniors in the European Union were more likely than the average for all adults to be established business owners over the 2012-16 period (8.3% vs. 6.3% for all adults) and this finding is consistent across all Member States (Figure 4.7). At the country level, the established business ownership rate for seniors ranged from 4.6% in Luxembourg to 16.2% in Greece.

Approximately 10.2% of seniors in OECD countries were owner-operators of established businesses between 2012 and 2016, which was above the proportion of adults (7.1%). The established business ownership rates for seniors exceeded 15% in this period in Switzerland (15.1%), Chile (15.2%), Australia (16.0%) and Greece (16.2%).

Business discontinuation is the final stage of the entrepreneurship cycle in the GEM framework. The reasons cited by seniors for business exit over the 2012-16 period are reported for the European Union and OECD membership in Figure 4.8. In the European Union, the most common reason for discontinuing a business was that it was not profitable. This was cited by 29.7% of discontinuing senior entrepreneurs, which was the

Figure 4.7. **Established business ownership rate for seniors, 2012-16**
Percentage of population

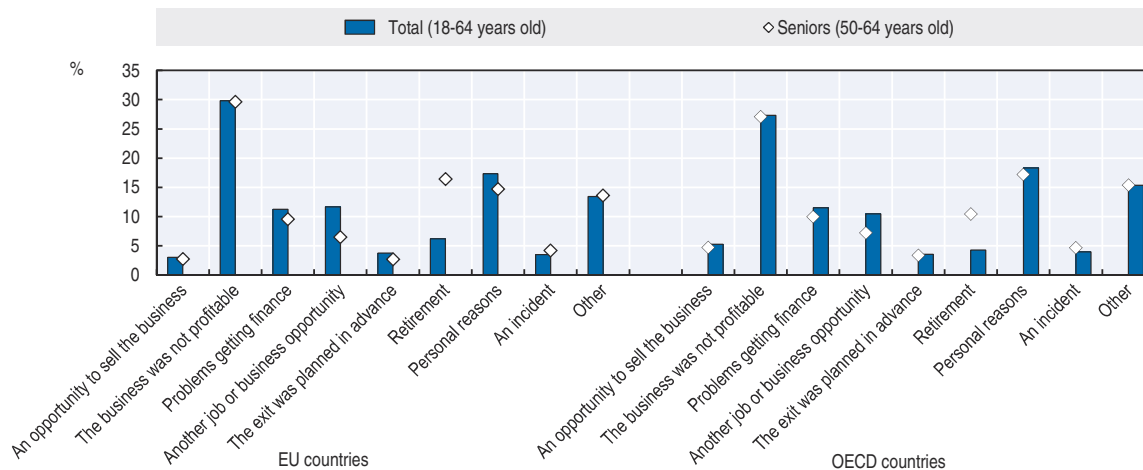


Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. The established business ownership rate is defined as the proportion of the adult population that are currently owner-managers of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months.

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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Figure 4.8. **Reasons for business exit cited by senior entrepreneurs, 2012-16**
Percentage of those involved in a business exit in the past 12 months



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016).

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

StatLink <http://dx.doi.org/10.1787/888933624597>

same proportion as the overall adult population. The second most frequently cited reason was retirement (16.4%), which was followed by personal reasons (14.7%). However, only 10.5% of seniors in OECD countries indicated that they exited due to retirement.

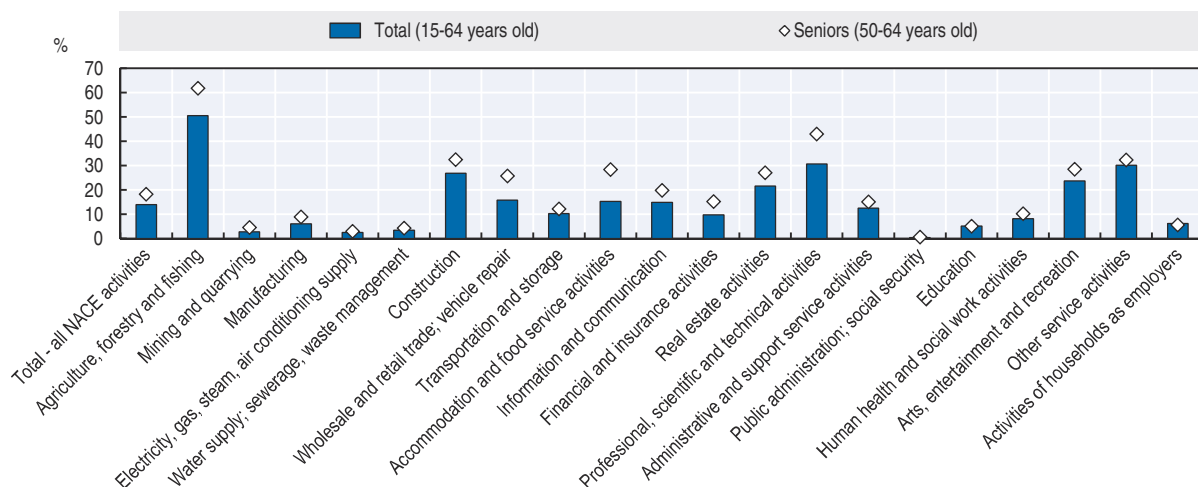
At the country level, a lack of profitability was frequently the most cited reason for business exit but there were three countries where retirement was the most frequently cited reason: Austria, France and Slovenia.

Business activities by senior entrepreneurs and self-employed seniors

- In 2016, seniors (50-64 years old) were the most likely to be self-employed in Agriculture, forestry and fishing (61.8%) and Professional, scientific and technical activities (42.9%).
- Seniors were slightly more likely than the adult population to be engaged in business start-up in a team of three or more people. Between 2012 and 2016, 20.9% of seniors involved in business start-up in the European Union were working in teams while the proportion was 18.4% in OECD countries.
- Approximately 30% of early-stage senior entrepreneurs offered new goods and services over the 2012-16 period. This was the same proportion as in the adult population.
- In the European Union, approximately 9% of early-stage senior entrepreneurs over the 2012-16 period expected to create at least 19 jobs over the next five years. In OECD countries, this proportion was 12.7%. However, there was little difference within countries between these proportions and the proportion in the overall adult population who anticipated this level of growth.

Self-employment rates for seniors in 2016 are presented by industry in Figure 4.9. The figure shows that seniors had higher self-employment rates than adults in all industries in 2016 except for households as employers. The industries where seniors were the most likely to be self-employed were Agriculture, forestry and fishing (61.8%) and Professional, scientific and technical activities (42.9%).

Figure 4.9. **Self-employment rates for seniors by industry in the European Union, 2016**
Self-employed as a percentage of employment



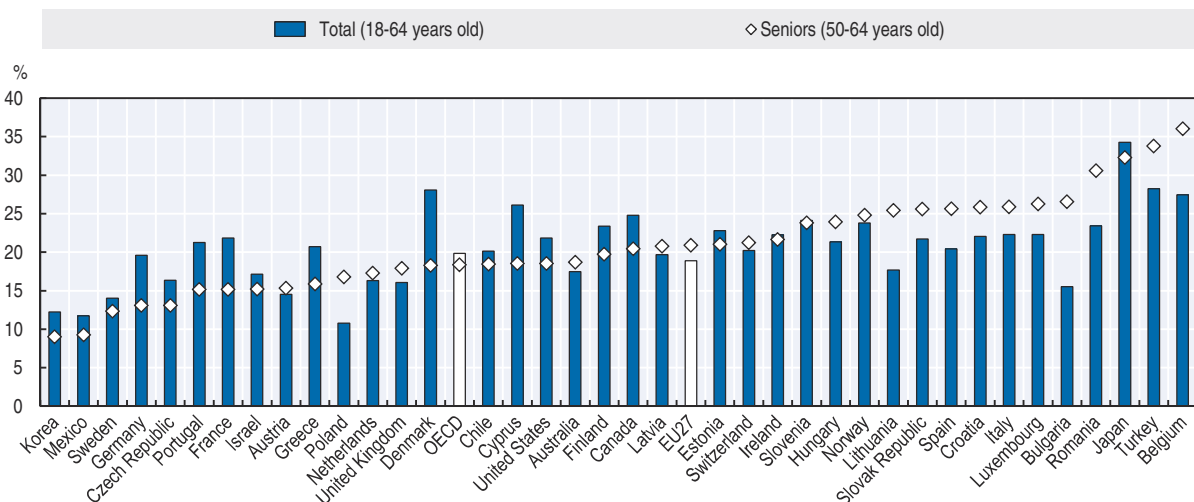
Source: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>.

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In the European Union, senior entrepreneurs were slightly more likely than other adults to be involved in team entrepreneurship. Over the 2012-16 period 20.9% of senior entrepreneurs who were involved in starting a new business were working with a team of three or more people (Figure 4.10), which was slightly higher than the proportion of the adult population (18.9%). This proportion was the lowest in Sweden (12.3%), Germany (13.1%) and the Czech Republic (13.1%), and the highest in Belgium (36.0%) where more than one-third of senior entrepreneurs involved in nascent entrepreneurship activities work in a team of three or more.

Similarly, 18.4% of seniors involved in nascent entrepreneurship over the 2012-16 period in OECD countries were working in teams of three or more. The OECD countries where seniors were most likely to be working in teams over this period were Japan (32.3%), Turkey (33.8%) and Belgium (36.0%).

Figure 4.10. **Proportion of new senior entrepreneurs who operate in teams, 2012-16**



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016). 4. Nascent entrepreneurs are those that are actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months.

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.


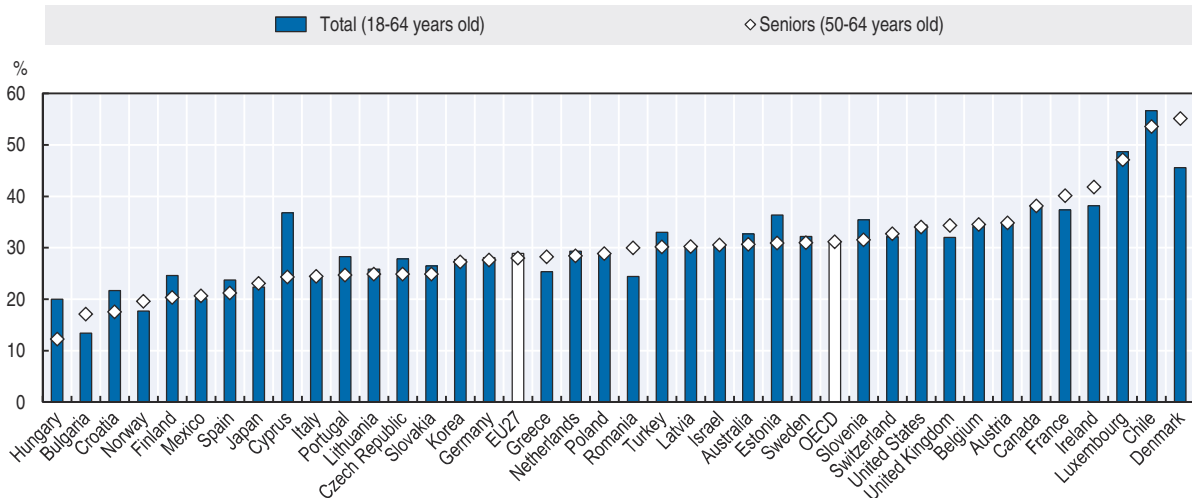
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Figure 4.11 presents the proportion of nascent entrepreneurs and new business owners whose businesses offer products and/or services that are new to potential customers. Over the 2012-16 period, senior entrepreneurs in the European Union were as likely as adults to bring new products and services to the market (28.0% vs. 28.9% for all adults). Seniors were more likely than adults to introduce new products and services in Ireland, Romania and Denmark. However, they were much less likely to do so in Hungary and Cyprus.

In OECD countries in the same period, early-stage senior entrepreneurs were also as likely as adults to offer new products and services (approximately 31% for both groups). More than half of early-stage senior entrepreneurs offered new products and services in Chile (53.6%) and Denmark (55.2%).


Figure 4.11. **Proportion of new senior entrepreneurs who introduced new products and services, 2012-16**

“Do all, some, or none of your potential customers consider this product or service new and unfamiliar?”
Percentage of early-stage entrepreneurs who responded “yes”



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Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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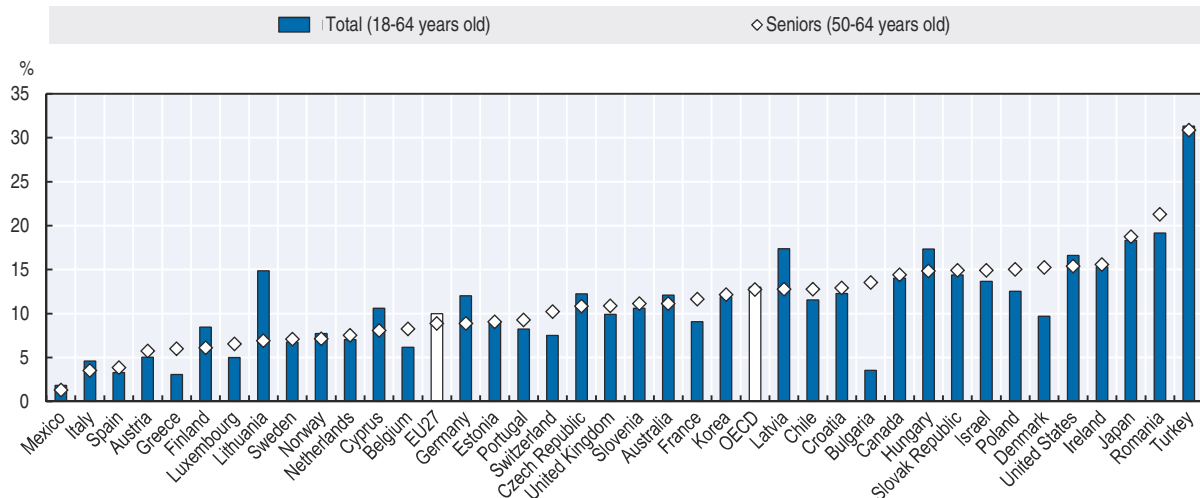
Furthermore, early-stage senior entrepreneurs were nearly as likely as adults to expect to create at least 19 jobs over the next five years. Over the 2012-16 period, 8.9% of senior entrepreneurs who were involved in setting up a business or who owned a business that was less than 42 months old expected to meet this level of employment growth (Figure 4.12). This was essentially the same proportion as for all adults (10.0%). However, within the European Union, this proportion varied substantially across Member States. Only 3.5% and 3.8% of early-stage senior entrepreneurs in Italy and Spain expected to reach this level of employment growth. Conversely, more than one-fifth of early-stage entrepreneurs in Romania (21.3%) did. The gap between the proportion of early-stage senior and adult entrepreneurs is striking in several countries. In Greece, early-stage senior entrepreneurs were twice as likely as early-stage adults to expect to create at least 19 jobs and in Bulgaria, they were 3.8 times as likely.

In OECD countries, early-stage senior entrepreneurs were as likely as the adult population between 2012 and 2016 to expect to create at least 19 jobs over the next five years (approximately 13% for both). This proportion varied greatly across countries, ranging from 1.3% of early-stage senior entrepreneurs in Mexico to 30.9% in Turkey.

Figure 4.12. **Growth expectations among new senior entrepreneurs, 2012-16**


“Not counting owners, how many people, including both present and future employees, will be working for this business five years from now? Please include all exclusive subcontractors, meaning people or firms working only for this business, and not working for others as well.”

Percentage of early-stage entrepreneurs who indicated at least 19 new jobs would be created over the next five years



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Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

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Barriers to business creation for seniors

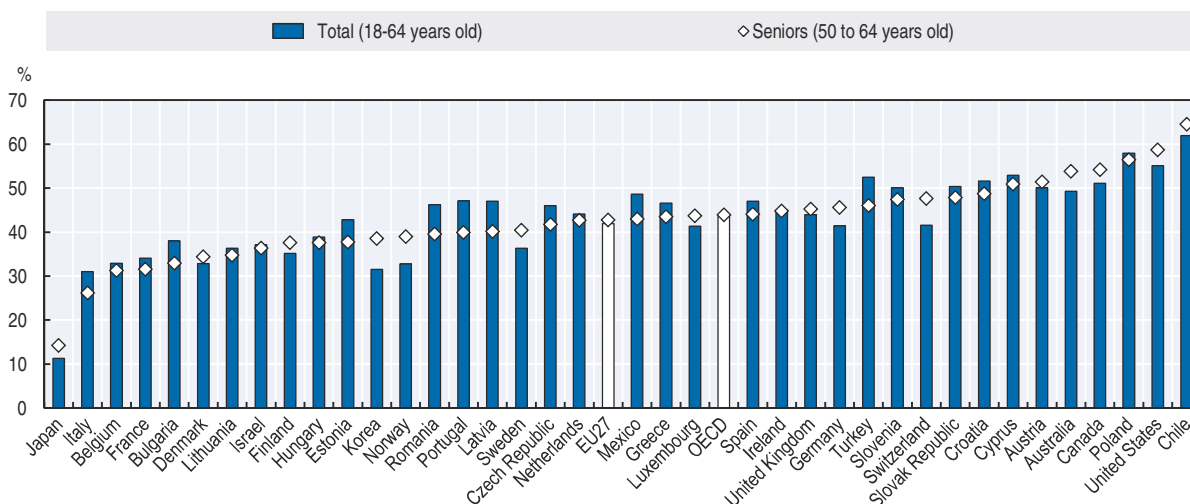
- A perceived lack of entrepreneurship skills does not appear to disproportionately prevent seniors from starting businesses relative to the adult population. In the European Union, 42.8% of seniors felt that they had the skills needed for entrepreneurship over the 2012-16 period while 44.0% in OECD countries felt this way. These proportions were similar to the overall adult population.
- 43.8% of seniors in the European Union and 38.7% of seniors in OECD countries indicated that fear of failure is a barrier to entrepreneurship between 2012 and 2016. These proportions are slightly below those of the adult populations.

A lack of entrepreneurship skills is frequently cited as one of the most important barriers to business creation for people from under-represented and disadvantaged groups. However, seniors appear to be as likely as adults to report that they have the knowledge and skills needed to start a business. Over the 2012-16 period, 42.8% of seniors in the European Union reported that they had the skills needed for business creation (graphic 4.13). This was essentially the same proportion as found in the adult population (41.9%). While this was valid for most European Union Member States, the exceptions are in Romania, Portugal and Latvia, where seniors are approximately seven percentage points less likely to feel that they have the skills for entrepreneurship.

Figure 4.13. **Entrepreneurship skills as a barrier to business creation for seniors, 2012-16**

"Do you have the knowledge and skills to start a business?"

Percentage of population who responded "yes"



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016).

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

StatLink  <http://dx.doi.org/10.1787/888933624692>

A similar picture emerges in OECD countries where 44.0% of seniors felt that they had the knowledge and skills to start a business in the 2012-16 period. However, there were six OECD countries where more than half of seniors reported that they had the knowledge and skills needed for entrepreneurship: Austria (51.4%), Australia (53.8%), Canada (54.2%), Poland (56.5%), United States (58.7%) and Chile (64.5%).

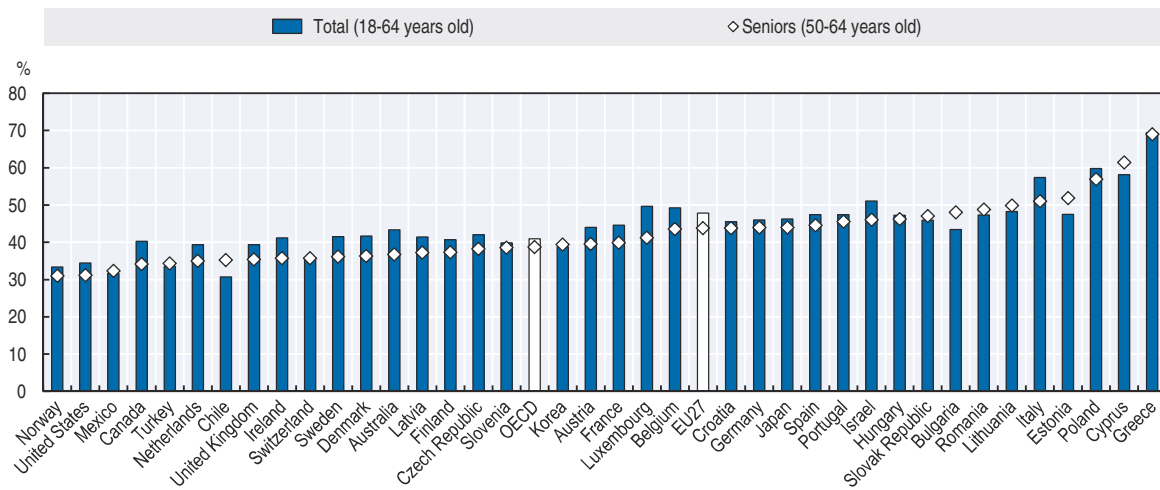
Fear of failure can also be an important barrier to entrepreneurship for people from groups that are under-represented or disadvantaged in the labour market. However, this barrier does not appear to be exceptionally strong for seniors as the proportion that cited this as a barrier was below the average for the population over the 2012-16 period. In the European Union, 43.8% of seniors indicated that fear of failure is a barrier to entrepreneurship, relative to 47.8% of the population (Figure 4.14). Generally, fear of failure appears to be a greater barrier for potential senior entrepreneurs in southern and eastern European Union Member States.

In OECD countries, a fear of failure appears to be slightly less of a barrier to entrepreneurship for seniors relative to European Union Member States. Across OECD countries between 2012 and 2016, 38.7% of seniors viewed this as a barrier. This was approximately the same as the proportion in the adult population but is lower than in the European Union. Seniors were the least likely to cite this barrier in Turkey (34.4%), Canada (34.1%), Mexico (32.3%), United States (31.2%) and Norway (31.0%).

Figure 4.14. **Fear of failure as a barrier to business creation for seniors, 2012-16**

"Does a fear of failure prevent you from starting a business?"

Percentage of population who responded "yes"



Notes: 1. All European Union Member States participated in the GEM survey at least once during the 2012-16 period except for Malta. 2. All OECD countries participated in the GEM survey at least once during this period except for Iceland and New Zealand. 3. Data presented in this figure were pooled over the 2012-16 period. A number of countries did not participate in the GEM surveys in every year but were included in the figure: Australia (participated in 2014, 2015, 2016); Austria (2012, 2014, 2016); Belgium (2012, 2013, 2014, 2015); Bulgaria (2015, 2016); Cyprus (2016); Czech Republic (2013); Denmark (2012, 2014); France (2012, 2013, 2014, 2016); Israel (2012, 2013, 2015, 2016); Japan (2012, 2013, 2014); Korea (2012, 2013, 2015, 2016); Latvia (2012, 2013, 2014); Lithuania (2012, 2013, 2014); Luxembourg (2013, 2014, 2015, 2016); Norway (2012, 2013, 2014, 2015, 2017); Romania (2012, 2013, 2014, 2015); and Turkey (2012, 2013, 2016).

Source: Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from the Global Entrepreneurship Monitor.

StatLink  <http://dx.doi.org/10.1787/888933624711>

Conclusions

Seniors are more active than the adult population in self-employment and senior entrepreneurs are an extremely diverse group. They include people who have spent their entire career in self-employment, those transitioning into retirement by starting a part-time business and those who have had to start a business to earn income due to a lack of retirement savings. Accordingly, the challenges faced by this group are diverse. Some lack entrepreneurship skills, while others lack financial resources and many will have small or outdated business networks. Public policy has a role in addressing these barriers by offering entrepreneurship training, improving access to start-up financing and supporting the development of entrepreneurship networks. In addition, many seniors have experience in self-employment and can remain engaged in entrepreneurship by mentoring and supporting younger entrepreneurs. Therefore public policy can also match senior entrepreneurs with younger entrepreneurs to facilitate a transfer of knowledge between the generations.

For more information and policy discussion on senior entrepreneurship activities, please refer to OECD/EU (2012) and European Commission (2016).

Note

1. The OECD has 35 member economies: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

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